

STATE OF MISSISSIPPI
STATE REVOLVING FUND ANNUAL REPORT
FOR THE DRINKING WATER IMPROVEMENTS LOAN PROGRAM

FOR FISCAL YEAR 2001 (10/01/2000 TO 9/30/2001)

Prepared by the State of Mississippi

For EPA Region IV

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I. INTRODUCTION

The State of Mississippi herewith submits its Annual Report for federal fiscal year (FY) 2001 (10/01/2000 - 9/30/2001). This report describes how the State of Mississippi has met the goals and objectives of its Drinking Water Improvements State Revolving Loan Fund (DWSIRLF) for FY 2001 as identified in the FY 2001 Intended Use Plan (IUP) by the actual use of funds and the financial position of the DWSIRLF.

II. EXECUTIVE SUMMARY

Fiscal year 2001 is the fifth year of operation of the Mississippi Drinking Water Improvements State Revolving Fund Loan Program.

All EPA capitalization funds originate from funding authorized by Congress under Section 1452 of the Federal Safe Drinking Water Act. In FY 2001 Mississippi was eligible to receive a capitalization grant for \$9,047,400 from the federal allotment. Of this capitalization grant \$361,896 was set-aside for DWSIRLF Administrative Expenses, \$350,000 was set-aside for State Program Management, and \$180,948 was set-aside for Small Systems Technical Assistance. Federal funds made available by the DWSIRLF Automated Clearinghouse (ACH) payment schedule for use on loan projects in FY 2001 were \$9,013,500. Of this amount, \$3,389,500 was made available from the FY 99 capitalization grant, \$4,504,000 was made available from the FY 2000 capitalization grant, and \$1,120,000 was made available from the FY 2001 capitalization grant. There was \$5,000,000 deposited into the DWSIRLF in FY 2001 for state match funds (state match funds deposited into the DWSIRLF in FY 97 were \$10,000,000). Interest earnings during FY 2001 were \$782,161. Repayments received during FY 2001 were \$1,620,836. A detailed breakdown of the sources of DWSIRLF funds is shown in Exhibit 3. Administrative fees received in FY 2001 totaled \$959,673.

This Annual Report differs from the Intended Use Plan in the DWSIRLF ACH payment schedules, the timing of binding commitments and disbursements, and the funding of specific projects. The differences are described in greater detail in the Program Changes Section of this report.

In FY 2001 Mississippi made significant progress in meeting the State's drinking water financing needs.

- During FY 2001 the State of Mississippi made twenty-six binding commitments to provide financial assistance for improvements to drinking water systems. The FY 2001 binding commitments made to loan recipients totaled \$22,365,070. Also, a binding commitment of \$361,896 was made for DWSIRLF administration expenses, bringing the total FY 2001 binding commitments to \$22,726,966. A detailed breakdown of these binding commitments is shown in Exhibit 1. In addition, the State of Mississippi also entered into binding commitments in the amount of \$180,948 for Small Systems Technical Assistance and \$350,000 for State Program Management. Small communities in Mississippi received 23.4% of the funds awarded during FY 2001.

- Thirteen loan recipients completed construction and initiated operation on their DWSIRLF projects during FY 2001. (See Exhibit 13.)
- Fourteen projects began making loan repayments during FY 2001.
- Mississippi executed twenty loan agreement amendments during FY 2001 - sixteen decreases totaling \$986,752 and four increases totaling \$633,444 resulting in a net decrease amount of \$353,308. More details are shown in Exhibit 1, Part 3.

III. GOALS AND ACCOMPLISHMENTS

A. Short-Term Goals and Accomplishments

In its FY 2001 IUP, the State of Mississippi described several short-term goals. In order for this program to be a success, these goals must be continued and pursued each year as appropriate. The State was successful in the completion of all its short-term goals for FY 2001:

1. Establishing the SRF Loan Program

The establishment of the SRF Loan Program was accomplished during FY 97. During FY 2001, Mississippi continued to implement the DWSIRLF Program by awarding loans, closing loans, disbursing funds, receiving loan repayments and drawing cash from the Federal Capitalization Grant. Forms and Standard Operating Procedures were revised as needed to improve operational and managerial functions within the program. These activities were carried out in compliance with State law and the Title I requirements of the Safe Drinking Water Act.

2. Setting in place priorities and procedures which will meet the Long-Term Environmental Improvement Goals of the Local Governments and Rural Water Systems Improvements Board (Board).

This was continued by adoption of the FY 2001 Priority System, which is included in the FY 2001 IUP, and which gives priority to those projects that address the most serious risks to public health, are necessary to bring existing drinking water facilities into compliance with national primary drinking water regulations as required by the federal Safe Drinking Water Act, and assist systems most in need on a per household affordability basis.

3. Keeping in focus the need to attract communities to the program and insure the use of all available funds.

This was accomplished by our efforts to inform the State's communities of the availability of DWSIRLF funding and to set an interest rate, which is intended to

be low enough that the predicted demand will equal or exceed the funds available. The interest rate was set at 3% for all FY 2001 loans and the maximum amount allowed to be borrowed was \$1,500,000.

In FY 2001, \$22,365,070 was obligated to projects in new loan awards. All projects ready to proceed were funded. Nesbit Water. Assoc. (Storage), Nesbit Water Assoc. (Well, Treatment, Distribution), Hopewell Water. Assoc., West Harrison W & S District, City of Picayune, City of Olive Branch (Booster Stations), City of Olive Branch (Storage), City of Olive Branch (Distribution), City of Horn Lake, ACL Water. Assoc., and Town of Hatley were on the final priority list but did not proceed to loan award.

4. Structuring the program to coordinate with the Community Development Block Grant (CDBG) program; Appalachian Regional Commission (ARC) program; Rural Utilities Service of USDA, (RUS); and other programs available within the State.

A DWSIRLF/CDBG, ARC and (RUS) coordination schedule was put into place for FY 2001. These coordination efforts make such joint projects readily available for communities desiring such a funding arrangement.

B. Long-Term Goals and Accomplishments

In its FY 2001 IUP, the State of Mississippi made the following long-term commitments:

1. Maintaining a financially sound DWSIRLF in perpetuity.

Essential to achieving these goals is the determination of an interest rate, which will generate sufficient fund income to meet the State's needs within a reasonable period of time, but which is significantly better than private sector funding, to bring communities to the program, and insure use of all available funds. To this end interest rates are routinely reviewed and adjusted as necessary to assure competitiveness and the long-term financial stability of the fund. Standard financial reports are produced, reviewed for accuracy, and reconciled between the Department of Health and the Department of Environmental Quality on a monthly basis. During the preparation of the annual IUP, a determination is made that adequate funds will be available from the federal payment schedule, state match, repayments, and interest earnings for all projects on the fundable portion of the list.

Each community's financial capability summary and user charge system are reviewed and approved prior to loan award. This is done to insure that adequate

funds are collected to repay the loan and operate the project, and that the community can afford the project.

2. Meeting a substantial portion of the drinking water needs in the State within a reasonable period of time.

This is being accomplished through use of a pro-active public information program to assure public awareness of the DWSIRLF and by application of a priority system that assures the most urgent needs are met first. As stated earlier, during FY 2001 all projects ready to proceed were funded.

3. Funding projects in order of public health importance as established by the Board, while continuing to maintain a program that is attractive to communities in the State.

The Board accomplishes this by applying the FY 2001 Priority System, which gives priority to projects required to facilitate compliance with national primary drinking water standards and addresses the most serious risks to public health. - This system may be updated each year as needed to account for needs that have been met and for new public health concerns.

IV. DETAILS OF ACCOMPLISHMENTS

A. Fund Financial Status

1. Binding Commitments

As shown in Exhibits 1 and 2, in FY 2001 the Mississippi Drinking Water Improvements State Revolving Fund Loan Program entered into binding commitments with twenty-six loan recipients in order to provide financial assistance totaling \$22,365,070.

2. Sources of Funds

Exhibit 3 shows the sources of DWSIRLF funds for FY 2001. During the fiscal year, the DWSIRLF was awarded a Federal capitalization grant of \$8,154,556 (this does not include set-asides). Federal funds made available to the DWSIRLF in FY 2001 by the FY 99, FY 2000 and FY 2001 capitalization grant payment schedules was \$9,013,500. Other FY 2001 fund sources included interest earnings of \$782,161 and loan repayments of \$1,620,836.

3. Administrative Fees Received and Disbursed

During FY 2001 receipts into the administrative fee fund were \$959,673 and disbursements were \$631,489.

4. Revenues and Expenses

The Statement of Revenues, Expenses, and Changes in Fund Balance will be performed for State FY 2001 as stated on Exhibit 10.

5. Disbursements

During FY 2001, disbursements from the DWSIRLF to the various loan recipients totaled \$10,349,304 (See Exhibit 15 for a detailed breakdown of loan disbursements.) Of these disbursements, \$1,850,714 was made from State funds and \$8,498,590 was made from federal funds. Disbursements from the DWSIRLF administrative set-aside for program administration costs during FY 2001 totaled \$305,782. Administrative Fees disbursed for program administration costs during FY 2001 totaled \$631,489.

6. Annual Audits

A financial statement audit and a single audit of the DWSIRLF Program was performed based on State FY 2001, (July 1, 2000 through June 30, 2001). The audit report issued as a result of this audit contains audited financial statements of the DWSIRLF Program with an auditor's opinion; an auditor's report on the internal control structure of the program; and an auditor's report on compliance with the Safe Drinking Water Act Amendments of 1996, as well as compliance with regulations and general grant requirements. This audit was mailed to EPA on January 16, 2002, and to our knowledge concludes all audit requirements for FY 2001.

7. Repayments

All DWSIRLF Loan Recipients are current on their loan repayments. During FY 2001 \$1,620,836 was received in loan repayments.

B. Assistance Activity

Exhibits 1 through 5 illustrate the assistance level financial activity of the fund for the FY 2001. All initial loan awards amounts (binding commitments) count toward meeting equivalency requirements.

Exhibit 1 shows new projects, which the DWSIRLF funded during FY 2001. For each project, this chart shows the communities served, project number, assistance amount, binding commitment date for initial loan awards, construction start date, initiation of

operation date, type of assistance being provided, interest rate and the maturity date of all loans. During FY 2001, 23.4% of our binding commitments were made to small communities.

Exhibit 2 shows a breakdown of binding commitments by quarter.

Exhibit 3 illustrates the sources of funds for FY 2001 broken down by quarter.

Exhibit 4 illustrates binding commitments with respect to scheduled payments from the ACH.

Exhibit 5 shows disbursements to loan recipients in FY 2001 by quarter.

C. Provisions of the Operating Agreement/Conditions of the Grant

The State of Mississippi agreed to a number of conditions in the Operating Agreement or Grant Agreement. The following conditions have been met as described in the Operating Agreement or the Capitalization Grant Agreement.

- Agreement to Accept Payments
- State Laws and Procedures
- State Accounting and Auditing Procedures
- Recipient Accounting and Auditing Procedures
- Use of the LOC/ACH Payments
- Biennial Report
- Annual Intended Use Plan
- Access to Records
- Annual Review
- Anti-lobbying
- Recycled Paper
- Hotel and Motel Fire Safety Act of 1990
- DWSIRLF Work Plans

The following conditions have been met as described more fully below.

1. Provide a State Match

The State of Mississippi deposited \$10,000,000 into the DWSIRLF for state match funds in FY 97 and \$5,000,000 in FY 2001. As shown in Exhibit 3, this exceeds the 20 percent required to match the total grant payments through FY 2001.

2. Binding Commitments Within One Year

The State of Mississippi entered into binding commitments to provide assistance from the DWSIRLF in amounts substantially greater than the required 120% of each quarterly grant payment within one year after receipt of each quarterly grant payment (see Exhibit 4 for the comparison of binding commitments to grant payments). The actual binding commitments through the fourth quarter of FY 2001 met the 120% requirement well in advance of the one-year time frame.

3. Expeditious and Timely Expenditure

The State of Mississippi has disbursed all available DWSIRLF funds in a timely and expeditious manner. The Mississippi DWSIRLF disbursed payments totaling \$10,349,304 to loan recipients during FY 2001. Exhibit 1 indicates the schedules contained in the loan agreements for starting construction and initiating operation. DWSIRLF projects are moving in an expeditious and timely manner to start construction and complete the project within the loan agreement schedule. Mississippi is monitoring and enforcing compliance with the loan agreement schedules to insure timely expenditure of funds.

4. Eligible Activities of the DWSIRLF

Eligible Activities of the DWSIRLF are described in Section II of the IUP.

5. Compliance with Federal Cross-Cutters

All FY 2001 projects met the requirements of the federal cross-cutting laws and authorities. It is the intention of the State to require all projects to meet the cross-cutting requirements and thus bank the loan award amounts in excess of the federal capitalization grants toward meeting equivalency requirements as soon as possible.

6. MBE\WBE Requirement

As mandated by federal law, an overall fair share objective of 3.54% (2.9% MBE and 0.64% WBE) for FY 2001 projects financed by the State Revolving Fund was included as a condition in the FY 2001 DWSIRLF capitalization grant. The Standard Form 5700-52A provides documentation that the MBE participation achieved was 5.7% and the WBE participation achieved was 6.27%.

7. Other Federal Authorities

The State of Mississippi and all recipients of DWSIRLF funds have complied with applicable federal authorities. Recipients of DWSIRLF assistance agreed to do this in the loan agreement between the recipient and the State of Mississippi.

8. State Environmental Review Process (SERP)

During FY 2001 the State of Mississippi conducted environmental reviews on all funded projects in accordance with the SERP. The staff determined that no Environmental Impact Statements were necessary; instead, the State issued either an Environmental Assessment and a Finding of No Significant Impact or a Categorical Exclusion for each project.

9. Cash Draw Procedures

The State has drawn cash from the Federal Capitalization Grants in a manner consistent with the Capitalization Grant Agreements. In FY 2001, \$8,804,372 was drawn from the ACH for project funding and administrative costs (\$8,498,590 for projects, \$305,782 for administration). See Exhibits 5 and 6 for additional information regarding the DWSIRLF ACH payment schedule.

10. Disbursement Schedule/Commitment

Exhibit 8 compares the actual Federal LOC disbursements made in FY 2001 to the disbursement projections submitted to EPA in the FY 2001 Workplan.

11. State's Attorney General Certification

The State submitted the Attorney General Certification on July 7, 2000, along with the FY 2001 DWSIRLF Capitalization Grant Application.

12. Administration Funding

Exhibit 1, Part 2 identifies the portion of the FY 2001 DWSIRLF Capitalization Grant which was available to fund administration costs. This administrative set-aside totaled \$361,896. Administrative fees received from loans in FY 2001 totaled \$959,673.

13. Attendance at EPA Approved/Sponsored Seminars

State of Mississippi personnel attended all EPA approved/sponsored seminars, workshops, conferences, etc., which were determined to be useful by the State.

14. Annual Audit

A financial statement audit of the DWSIRLF Program was performed for State FY 2001.

15. Technical Capability

We are continuing to manage the DWSIRLF Program with the same technical staff as was approved with the Operating Agreement, with the exception of minor personnel changes.

16. Procedures to Assure Borrowers Have Dedicated Source of Revenue

The State of Mississippi agrees that it shall determine whether or not an applicant has the ability to repay a loan, according to its terms and conditions, prior to making that loan. The State has developed EPA approved criteria to evaluate an applicant's financial ability to repay the loan, in addition to paying for operation and maintenance costs, and other necessary expenses.

17. Compliance with Small Business Administration Reauthorization and Amendment Act of 1988.

We are continuing to wait on guidance from EPA regarding the actions we need to take to ensure compliance with this condition.

18. Compliance with OMB Circulars A-87 and A-133

The State of Mississippi is continuing to comply with the requirements of these circulars and the Single Audit Act Amendments of 1996 by having a single audit conducted each year. We are also insuring compliance of our subrecipients by reviewing the single audit reports of any loan recipient who received more than \$300,000 in federal funds from the DWSIRLF within their fiscal year.

D. Management of Set-Asides

1. DWSIRLF Administrative Expenses - An amount totaling \$361,896 (4% of the FY 2001 capitalization grant) was set aside to cover the costs of administering the DWSIRLF program. During FY 2001, \$305,782 was disbursed for program administration. Of these disbursements, \$259,616 was made from administrative set-aside funds carried over from the FY 99 and FY 2000 capitalization grants, and \$46,166 was disbursed from the set-aside funds from the FY 2001 grant.
2. State Program Management - The State reserved \$350,000 (3.87%) of its FY 2001 capitalization grant for State Program Management set-aside activities to support its FY 02 PWSS program. There have been no disbursements made to date from this set-aside. The entire reserved amount of \$350,000 is specified for expenditure in FY 02. An annual workplan was approved on January 17, 2001, describing plans for expending these funds in FY 02. No unspecified funds were reserved from the State's FY 02 grant to be reclaimed from future capitalization grants for State Program Management activities. Instead, funds required for post FY 02 State Program Management activities will be reserved as specified funds from future capitalization grants.
3. Small Systems Technical Assistance - A revised four-year workplan for Mississippi's Small Public Water Systems Technical Assistance Set-Aside was submitted to EPA, Region 4 on March 13, 2001. The workplan envisioned activities beginning during the first quarter of federal FY 99 by utilizing contracts that were awarded by July 1, 1998. Workplan objectives for FY 01 and actual accomplishments are summarized below by program activities as defined in the workplan submitted on March 13, 2001.

a. Special Assistance to Referred Systems.

Objectives: Provide on-site technical support to resolve problems and deficiencies at systems referred for assistance by the Mississippi State Department of Health (MSDH). An average of one water system per month (12 per year) will be referred for long term assistance.

Accomplishments: Long term technical assistance was provided under contract by Community Resources Group, Inc. to 12 small community public water systems referred by the MSDH during FY 01. Monthly progress reports submitted by the contractor were used by the MSDH to evaluate contractor activity and monitor progress made in attaining and maintaining essential technical capabilities of referred systems.

b. Management Training for Water System Officials.

Objectives: Using training materials approved by the MSDH, conduct a minimum of two training sessions per month (30 people per session) in basic water system operation and management for governing boards and managers of small community water systems.

Accomplishments: During FY 00, the MSDH entered into a four year contract with the Mississippi State University Cooperative Extension Service to provide coordination and material support required to conduct technical training sessions for board members and managers of small water systems in the state. The purpose of these training sessions was to acquaint board members and managers with the responsibilities of their positions and to equip them with basic technical and management skills necessary to carry out those responsibilities. During FY 01, sixty-seven (67) separate training sessions were conducted with 1,750 participants receiving training.

c. On Site Technical Assistance and Volunteer System Review Program.

Objectives: Provide on site technical assistance and one-on-one training for water system operators at a minimum of 210 water systems per year. Conduct a minimum of 10 system review training sessions per year for water personnel who will perform system reviews. Using a directory of trained water system operators, organize and equip teams required to meet requests received for volunteer system reviews. Provide necessary administrative support for the teams to complete their reviews and prepare reports of findings and recommendations.

Accomplishments: The MSDH contracted in FY 01 with the Mississippi Rural Water Association (MsRWA) to provide on site technical assistance and volunteer system review training and support as described in the previously cited workplan submitted on March 13, 2001. Under their contract, MsRWA made 227 visits to water systems in FY 01 to provide technical assistance with matters involving water conservation, violation and compliance issues, operation and maintenance, management and finance, water treatment, and assistance in other areas of need such as training and professional development of water system personnel. There were 17 system review training sessions for volunteer operator personnel, as well as 17 peer views, which were conducted at various locations throughout the state.

The State reserved \$180,948 of its FY 01 capitalization grant (received on September 13, 2001) for small systems technical assistance set-aside activities. A total of \$174,391 was disbursed during FY 01 for small systems technical assistance activities. Of this disbursement, \$49,286 came from funds carried over from the FY 99 capitalization grant set-aside.

4. Local Assistance and Other State Programs (a carryover from the FY 97 capitalization grant) - Delineation and Source Water Assessment Program - Most of the planned objectives for FY 01 included in the Projected Workplan for Mississippi's Delineation and Source Water Assessment Program (SWAP) for state FY 01 were met. Throughout FY 01, work continued on verifying the confinement of aquifers being used for public water supply in 39 counties. This information was entered into the SWAP Geographic Information System (GIS) which automatically delineated Source Water Protection Areas around the corresponding public water supply wells. The SWAP staff served on the Basin Approach Planning Team to ensure that program interests are included in the new management approach being developed by MDEQ. Also, the SWAP staff's expertise in GIS matters and global system positioning technology were utilized to train MDEQ's staff in these areas.

DWSRF disbursements for SWAP activities totaled \$272,842 in FY 01. This disbursement was made from funds carried over from the FY 97 set-aside for SWAP activities.

V. PROGRAM CHANGES

A. Comparison with the Intended Use Plan

The Annual Report reflects the following changes from the FY 2001 Intended Use Plan, as amended.

- Eleven projects on the Final FY 2001 Priority List did not meet the requirements to receive a loan award (binding commitment) in FY 2001. They were Nesbit Water Assoc. (Storage), Nesbit Water Assoc. (Well, Treatment, Distribution), Hopewell Water Assoc., West Harrison Water & Sewer District, City of Picayune, City of Olive Branch (Booster Stations), City of Olive Branch (Storage), City of Olive Branch (Distribution), City of Horn Lake, ACL Water Assoc., and Town of Hatley, were on the final priority list but did not proceed to loan award.
- Twenty loan amendments (increases/decreases) were awarded during FY 2001.
- Some project loans changed from those reflected in the FY 2001 Intended Use Plan, as amended. The actual loan amounts are shown as follows:

<u>Loan Recipient</u>	<u>Loan Number</u>	<u>IUP</u>	<u>Award</u>
Adams Co. Water. Assoc.	DWI-H280062-01	\$1.1	\$ 950,691
Adams Co. Water. Assoc.	DWI-H280062-02	\$1.1	\$ 1,124,211
Bear Creek Water. Assoc.	DWI-H280004-02	\$1.5	\$ 1,468,200
Bunker Hill Water. Assoc.**	DWI-H280036-03	\$0.3	\$ 280,983
Farmington Water. Assoc.	DWI-H280058-01	\$0.8	\$ 877,109
Glendale Utility District	DWI-H280023-01	\$0.7	\$ 860,675
Town of Gloster**	DWI-H280059-02	\$0.4	\$ 328,125
Greenfield Water. Assoc.	DWI-H280040-02	\$0.5	\$ 466,000
City of Hernando**	DWI-H280057-02	\$0.6	\$ 547,074
Hilldale Water Dist.	DWI-H280048-02	\$0.5	\$ 468,535
Improve Water Assoc.**	DWI-H280080-01	\$0.4	\$ 334,323
Leesburg Water Assoc.**	DWI-H280018-02	\$0.6	\$ 756,677
Town of North Carrollton	DWI-H280063-01	\$1.2	\$ 1,368,881
New Hope Water. Assoc.**	DWI-H280076-01	\$0.4	\$ 416,602
City of Pascagoula	DWI-H280044-04	\$1.0	\$ 1,500,000
City of Pascagoula	DWI-H280044-05	\$1.5	\$ 739,200
City of Pascagoula	DWI-H280044-06	\$1.5	\$ 1,500,000
City of Pearl	DWI-H280055-01	\$0.9	\$ 508,030
City of Pearl	DWI-H280055-03	\$1.3	\$ 777,000
Soso Comm.Water.Sys.	DWI-H280066-01	\$0.3	\$ 276,231
City of Southaven	DWI-H280067-01	\$1.5	\$ 1,500,000
City of Southaven	DWI-H280067-02	\$1.5	\$ 1,486,068
City of Southaven	DWI-H280067-03	\$1.5	\$ 1,457,794
City of Starkville**	DWI-H280073-01	\$1.4	\$ 733,310
City of West Point**	DWI-H280071-01	\$1.5	\$ 1,500,000
West Jackson County U.D.	DWI-H280061-01	\$0.7	\$ 139,351
Nesbit Water Assoc.*	DWI-H280	\$0.7	\$ -0-
Nesbit Water Assoc.*	DWI-H280	\$0.9	\$ -0-
Hopewell Water Assoc.*	DWI-H280	\$0.4	\$ -0-
West Harrison W&S Dist.*	DWI-H280	\$1.2	\$ -0-
City of Picayune*	DWI-H280	\$0.4	\$ -0-
City of Olive Branch*	DWI-H280	\$1.0	\$ -0-
City of Olive Branch*	DWI-H280	\$1.1	\$ -0-
City of Olive Branch*	DWI-H280	\$1.5	\$ -0-
City of Horn Lake*	DWI-H280	\$1.5	\$ -0-
ACL Water Assoc.*	DWI-H280	\$0.5	\$ -0-
Town of Hatley*	DWI-H280	\$1.0	\$ -0-
Total			\$22,365,070

*Did not proceed in FY 2001

**On the FY 2002 and after planning list as catch-up projects, but were awarded in FY 2001.

B. Modifications of Goals and Objectives

The State of Mississippi had no modifications of its goals and objectives during FY 2001.

VI. PROPOSED IMPROVEMENTS

A. Modification of the Program

No modifications of the program are being considered at this time.

B. Long and Short-Term Goals for Future IUP's

At this time, there are no proposed improvements to the long-term or short-term goals for future IUP's.

PROJECT NAME									
COMMUNITIES SERVED	PROJECT NUMBER	ENFORCEABLE REQUIREMENT	ASSISTANCE AMOUNT	BINDING COMMITMENT DATE	CONSTRUCTION START DATE	INITIATE OPERATION DATE	* TYPE	INTEREST RATE ON LOAN	DATE LOAN MATURES
Union Wtr. Assoc.	DWI-H280053-01	N/A	\$14,000	01/19/01	01/08/01	12/04/01	L	3.0%	12/04/21
City of Horn Lake	DWI-H280033-01	N/A	\$500,000	02/07/01	10/22/99	11/21/00	L	3.0%	11/01/20
Tri-Lake Rural Wtr. Assoc	DWI-H280024-01	N/A	\$30,318	02/26/01	11/15/00	08/09/01	L	3.0%	08/09/21
City of Carthage	DWI-H280056-01	N/A	\$89,126	03/23/01	03/09/01	01/03/02	L	3.0%	01/03/22
City of D'Iberville	DWI-H280009-02	N/A	-\$209	10/04/00	02/14/00	07/26/00	L	3.0%	07/01/20
Jayess-Topeka Tilton WA	DWI-H280045-01	N/A	-\$19,821	10/31/00	12/13/99	08/04/00	L	3.0%	08/01/20
Pleasant Hill Wtr. Assoc.	DWI-H280007-03	N/A	-\$79,717	12/06/00	10/25/00	10/25/01	L	3.0%	10/25/21
Hub Water Assoc.	DWI-H280042-01	N/A	-\$35,956	01/03/01	02/01/00	10/24/00	L	3.0%	10/10/20
Center Ridge Wtr. Assoc.	DWI-H280032-01	N/A	-\$26,868	01/11/01	09/26/99	10/27/00	L	3.0%	10/11/20
Columbus Util. Comm.	DWI-H280015-02	N/A	-\$21,267	02/06/01	11/15/99	08/11/00	L	3.0%	08/01/20
City of Ocean Springs	DWI-H280035-01	N/A	-\$16,351	04/19/01	07/17/00	02/28/01	L	3.0%	03/01/21
City of Long Beach	DWI-H280008-03	N/A	-\$33,693	05/23/01	03/20/22	03/13/01	L	3.0%	03/01/21
City of Hernando	DWI-H280057-01	N/A	-\$130,260	05/25/01	03/05/01	12/07/01	L	3.0%	12/07/21
Hilldale Wtr. Dist.	DWI-H280048-01	N/A	-\$5,862	05/24/01	08/01/00	03/20/01	L	3.0%	03/05/21
Mt. Gilead-Improve W.A.	DWI-H280021-02	N/A	-\$19,725	06/01/01	03/28/01	06/28/01	L	3.0%	06/10/21
City of Olive Branch	DWI-H280049-01	N/A	-\$249,310	06/28/01	03/20/01	09/16/01	L	3.0%	09/16/21
City of Olive Branch	DWI-H280049-02	N/A	-\$317,300	06/28/01	03/20/01	09/16/01	L	3.0%	09/16/21
Town of Gloster	DWI-H280059-01	N/A	-\$18,646	07/19/01	06/25/01	10/25/01	L	3.0%	10/22/21
Mt. Gilead-Improve W.A.	DWI-H280021-02	N/A	-\$4,775	08/17/01	03/28/01	06/28/01	L	3.0%	06/10/21
Highway 28 Wtr. Assoc.	DWI-H280037-01	N/A	-\$6,992	09/07/01	09/09/00	07/20/01	L	3.0%	07/10/21

PART 3 TOTAL -\$353,308**GRAND TOTAL** **\$22,373,658**

*L = Loan; I = Insurance; G = Guarantee; R = Refinance; A = Administration

EXHIBIT 2: FY'2001 BINDING COMMITMENTS BY QUARTER

PROJECT NAME		-----BINDING COMMITMENTS-----					* TYPE
COMMUNITIES SERVED	PROJECT NUMBER	QTR1	QTR2	QTR3	QTR4	TOTAL	
Greenfield Wtr. Assoc.	DWI-H280040-02-0	\$0	\$466,000	\$0	\$0	\$466,000	L
Soso Comm. Wtr. System	DWI-H280066-01-0	\$0	\$0	\$276,231	\$0	\$276,231	L
W. Jackson Co. Util. Dist.	DWI-H280061-01-0	\$0	\$0	\$0	\$139,351	\$139,351	L
City of Pascagoula	DWI-H280044-04-0	\$0	\$0	\$0	\$1,500,000	\$1,500,000	L
City of Pascagoula	DWI-H280044-05-0	\$0	\$0	\$0	\$739,200	\$739,200	L
City of Pascagoula	DWI-H280044-06-0	\$0	\$0	\$0	\$1,500,000	\$1,500,000	L
City of Southaven	DWI-H280067-01-0	\$0	\$0	\$0	\$1,500,000	\$1,500,000	L
City of Southaven	DWI-H280067-02-0	\$0	\$0	\$0	\$1,486,068	\$1,486,068	L
City of Southaven	DWI-H280067-03-0	\$0	\$0	\$0	\$1,457,794	\$1,457,794	L
Hilldale Water District	DWI-H280048-02-0	\$0	\$0	\$0	\$468,535	\$468,535	L
Glendale Utility District	DWI-H280023-01-0	\$0	\$0	\$0	\$860,675	\$860,675	L
Farmington Wtr. Association	DWI-H280058-01-0	\$0	\$0	\$0	\$877,109	\$877,109	L
Adams County Wtr. Assoc.	DWI-H280062-01-0	\$0	\$0	\$0	\$950,691	\$950,691	L
Adams County Wtr. Assoc.	DWI-H280062-02-0	\$0	\$0	\$0	\$1,124,211	\$1,124,211	L
Town of Gloster	DWI-H280059-02-0	\$0	\$0	\$0	\$328,125	\$328,125	L
Town of North Carrollton	DWI-H280063-01-0	\$0	\$0	\$0	\$1,368,881	\$1,368,881	L
City of Pearl	DWI-H280055-03-0	\$0	\$0	\$0	\$777,000	\$777,000	L
Bear Creek Water Assoc.	DWI-H280004-02-0	\$0	\$0	\$0	\$1,468,200	\$1,468,200	L
Bunker Hill Water Assoc.	DWI-H280036-03-0	\$0	\$0	\$0	\$280,983	\$280,983	L
Leesburg Water Assoc.	DWI-H280018-02-0	\$0	\$0	\$0	\$756,677	\$756,677	L
City of West Point	DWI-H280071-01-0	\$0	\$0	\$0	\$1,500,000	\$1,500,000	L
City of Starkville	DWI-H280073-01-0	\$0	\$0	\$0	\$733,310	\$733,310	L
City of Hernando	DWI-H280057-02-0	\$0	\$0	\$0	\$547,074	\$547,074	L
New Hope Water Assoc.	DWI-H280076-01-0	\$0	\$0	\$0	\$416,602	\$416,602	L
Improve Water Assoc.	DWI-H280080-01-0	\$0	\$0	\$0	\$334,323	\$334,323	L
City of Pearl	DWI-H280055-01-0	\$0	\$0	\$0	\$508,030	\$508,030	L
Total		\$0	\$466,000	\$276,231	\$21,622,839	\$22,365,070	

*L = Loan; I = Insurance; G = Guarantee; R = Refinance; A = Administration

EXHIBIT 3: SOURCE OF DRINKING WATER SRF FEDERAL FUNDS BY QUARTER
DURING FISCAL YEAR 2001

SOURCE OF FUNDS	2001 TOTALS	FISCAL YEAR 2001			
		QTR 1	QTR 2	QTR 3	QTR 4
LOC PAYMENTS*					
FY 1998 GRANT	\$0	\$0	\$0	\$0	\$0
FY 1999 GRANT	\$3,389,500	\$1,056,000	\$1,056,000	\$1,277,500	\$0
FY 2000 GRANT	\$4,504,000	\$1,126,000	\$1,126,000	\$1,126,000	\$1,126,000
FY 2001 GRANT	\$1,120,000	\$0	\$0	\$0	\$1,120,000
CASH DEPOSITS					
FY 1998 STATE MATCH (20% REQUIRED)**	\$0	\$0	\$0	\$0	\$0
FY 1999 STATE MATCH (20% REQUIRED)**	\$677,900	\$211,200	\$211,200	\$255,500	\$0
FY 2000 STATE MATCH (20% REQUIRED)**	\$900,800	\$225,200	\$225,200	\$225,200	\$225,200
FY 2001 STATE MATCH (20% REQUIRED)**	\$224,000	\$0	\$0	\$0	\$224,000
EXCESS STATE MATCH (as of 9/30/2001)***	\$6,966,920				
INTEREST EARNINGS ON					
STATE MATCH AND REPAYMENTS	\$782,161	\$185,848	\$225,316	\$213,281	\$157,716
LOAN REPAYMENTS	\$1,620,837	\$342,211	\$387,974	\$442,124	\$448,527
PENALTIES RECEIVED	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
FY 2001 TOTAL	\$20,186,118	\$3,146,459	\$3,231,690	\$3,539,605	\$3,301,443

*This does not include monies set-aside for Drinking Water SRF Administrative Expenses, State Program Management, and Small Systems Technical Assistance.

**This does not include match for set-aside funds.

***A \$10,000,000 deposit was made in FY'97 and a \$5,000,000 deposit was made in FY 2001 to fund the state match portion for several years' capitalization grants. The above figures reflect the state funds required to match all LOC deposits made directly to the SRF during FY'2001; they do not reflect the match required for previous years or for the setaside accounts. The excess match is calculated as follows:

Total LOCs from FY'1997 Cap Grant received thru FY'2001				STATE MATCH
Includes Setasides	\$16,474,200	X 20% =		\$3,294,840
Total LOCs from FY'1998 Cap Grant received thru FY'2001				
Includes Setasides	\$8,271,700	X 20% =		\$1,654,340
Total LOCs from FY'1999 Cap Grant received thru FY'2001				
Includes Setasides	\$8,669,500	X 20% =		\$1,733,900
Total LOCs from FY'2000 Cap Grant received thru FY'2001				
Includes Setasides	\$5,630,000	X 20% =		\$1,126,000
Total LOCs from FY'2001 Cap Grant received thru FY'2001				
Includes Setasides	\$1,120,000	X 20% =		<u>\$224,000</u>
State match required thru FY'2001				\$8,033,080
Excess state match (\$15,000,000 - \$8,033,080)				\$6,966,920

EXHIBIT 4: FY'2001 BINDING COMMITMENTS BY QUARTER WITH RESPECT TO SCHEDULED PAYMENTS FROM THE ACH

PROJECT NAME							
COMMUNITIES SERVED	PROJECT NUMBER	CONSTRUCTION START DATE	-----BINDING COMMITMENTS-----				
			QTR1	QTR2	QTR3	QTR4	TOTAL
Greenfield Water Assoc.	DWI-H280040-02	03/16/01	\$0	\$466,000	\$0	\$0	\$466,000
Soso Comm. Wtr. System	DWI-H280066-01	10/01/01	\$0	\$0	\$276,231	\$0	\$276,231
West Jackson County Util. District	DWI-H280061-01	12/31/01	\$0	\$0	\$0	\$139,351	\$139,351
City of Pascagoula	DWI-H280044-04	12/31/01	\$0	\$0	\$0	\$1,500,000	\$1,500,000
City of Pascagoula	DWI-H280044-05	05/24/01	\$0	\$0	\$0	\$1,457,794	\$1,457,794
City of Pascagoula	DWI-H280044-06	12/31/01	\$0	\$0	\$0	\$739,200	\$739,200
City of Southaven	DWI-H280067-01	12/31/01	\$0	\$0	\$0	\$1,500,000	\$1,500,000
City of Southaven	DWI-H280067-02	12/31/01	\$0	\$0	\$0	\$1,500,000	\$1,500,000
City of Southaven	DWI-H280067-03	12/31/01	\$0	\$0	\$0	\$1,486,068	\$1,486,068
Hilldale Water District	DWI-H280048-02	12/31/01	\$0	\$0	\$0	\$468,535	\$468,535
Glendale Utility District	DWI-H280023-01	03/15/02	\$0	\$0	\$0	\$860,675	\$860,675
Farmington Wtr. Assoc., Inc.	DWI-H280058-01	01/05/02	\$0	\$0	\$0	\$877,109	\$877,109
Adams County Water Assoc., Inc.	DWI-H280062-01	12/31/01	\$0	\$0	\$0	\$950,691	\$950,691
Adams County Water Assoc., Inc.	DWI-H280062-02	12/31/01	\$0	\$0	\$0	\$1,124,211	\$1,124,211
Town of Gloster	DWI-H280059-02	12/04/01	\$0	\$0	\$0	\$328,125	\$328,125
Town of North Carrollton	DWI-H280063-01	12/10/01	\$0	\$0	\$0	\$1,368,881	\$1,368,881
City of Pearl	DWI-H280055-03	10/17/01	\$0	\$0	\$0	\$777,000	\$777,000
Bear Creek Water Assoc.	DWI-H280004-02	12/31/01	\$0	\$0	\$0	\$1,468,200	\$1,468,200
Bunker Hill Water Assoc.	DWI-H280036-03	03/01/02	\$0	\$0	\$0	\$280,983	\$280,983
Leesburg Water Assoc.	DWI-H280018-02	12/31/01	\$0	\$0	\$0	\$756,677	\$756,677
City of West Point	DWI-H280071-01	12/31/01	\$0	\$0	\$0	\$1,500,000	\$1,500,000
City of Starkville	DWI-H280073-01	12/31/01	\$0	\$0	\$0	\$733,310	\$733,310
City of Hernando	DWI-H280057-02	12/31/01	\$0	\$0	\$0	\$547,074	\$547,074
New Hope Wtr. Assoc.	DWI-H280076-01	12/31/01	\$0	\$0	\$0	\$416,602	\$416,602
Improve Water Assoc.	DWI-H280080-01	12/31/01	\$0	\$0	\$0	\$334,323	\$334,323
City of Pearl	DWI-H280055-01	12/01/01	\$0	\$0	\$0	\$508,030	\$508,030
Subtotal			\$0	\$466,000	\$276,231	\$21,622,839	\$22,365,070
Program Administration 2001 Grant			\$0	\$0	\$0	\$361,896	\$361,896
BINDING COMMITMENT TOTAL (2001)			\$0	\$466,000	\$276,231	\$21,984,735	\$22,726,966
*CUMULATIVE BINDING COMMITMENTS (FY'97 -FY'2001)			\$38,438,504	\$38,904,504	\$39,180,735	\$61,165,470	\$61,165,470
**CUMULATIVE FEDERAL LOC PAYMENT SCHEDULE AMOUNTS THROUGH FY2000			\$20,845,700	\$22,931,700	\$25,049,400	\$26,390,794	
***ACTUAL BINDING COMMITMENTS THROUGH FY'2001 AS A % OF PAYMENT SCHEDULE AMOUNTS THROUGH FY2000			184%	170%	156%	232%	

* Includes only binding commitments for loan projects and administration through FY'2001

**These figures do not include set-asides.

***The above percentages compare the actual binding commitments through FY'2001 to the cumulative payment schedule amounts through FY2000.

Federal law allows one year after the payment schedule quarter to achieve the 120%.

EXHIBIT 5: DISBURSEMENTS

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	CUM THRU FY 2000	QTR 1	FISCAL YEAR 2001			FY 2001 CUMULATIVE	TOTAL
			QTR 2	QTR 3	QTR 4		
DISBURSEMENTS (PROJECTS)	\$23,446,917	\$2,227,166	\$2,209,770	\$2,282,073	\$3,630,294	\$10,349,303	\$33,796,220
2001 CUMULATIVE TOTAL	N/A	\$2,227,166	\$4,436,936	\$6,719,009	\$10,349,303		
BALANCE/BEGIN FED. FUNDS AVAIL.	N/A	\$7,346,012	\$7,691,491	\$8,057,790	\$8,590,675		
FED. LOC PMT. SCH. DEPOSITS	\$26,390,794	\$2,182,000	\$2,182,000	\$2,403,500	\$1,126,000	\$7,893,500	\$34,284,294
FED. DRAW FROM LOC (ACH DRAWS)	\$19,044,782	\$1,836,521	\$1,815,701	\$1,870,615	\$2,975,752	\$8,498,589	\$27,543,371
FEDERAL LOC AVAILABLE (END)	N/A	\$7,691,491	\$8,057,790	\$8,590,675	\$6,740,923		
STATE MATCH DRAWN FOR PMTS	\$4,402,135	\$390,645	\$394,069	\$411,458	\$654,542	\$1,850,714	\$6,252,849
2001 CUMULATIVE STATE SHARE	N/A	\$390,645	\$784,714	\$1,196,172	\$1,850,714		
CUM LOC/ACH DRAW AS % OF CUM DISBURSEMENTS	81.23%	82.46%	82.17%	81.97%	81.97%	82.12%	81.50%

EXHIBIT 6: PAYMENT SCHEDULE
ACTUAL AND PROJECTED INCREASE IN THE DRINKING WATER SRF ACH

	CUMULATIVE THRU QTR 4 FY 2000-9/30/00	FY 2001				FY 2002				TOTAL
		QTR 1	QTR 2	QTR 3	QTR 4	QTR 1	QTR 2	QTR 3	QTR 4	
1997 GRANT	\$13,838,328	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,838,328
1998 GRANT	\$7,775,398	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,775,398
1999 GRANT	\$4,491,674	\$1,056,000	\$1,056,000	\$1,277,500	\$0	\$0	\$0	\$0	\$0	\$7,881,174
2000 GRANT	\$285,394	\$1,126,000	\$1,126,000	\$1,126,000	\$1,126,000	\$1,126,000	\$1,126,000	\$1,128,100	\$0	\$8,169,494
2001 GRANT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$233,156	\$233,156
TOTAL	\$26,390,794	\$2,182,000	\$2,182,000	\$2,403,500	\$1,126,000	\$1,126,000	\$1,126,000	\$1,128,100	\$233,156	\$37,897,550
CUM PAYMENTS	\$26,390,794	\$28,572,794	\$30,754,794	\$33,158,294	\$34,284,294	\$35,410,294	\$36,536,294	\$37,664,394	\$37,897,550	

This is the portion of the FY97 federal cap grant payment schedules that was designated for DWSRF loan projects. It does not include monies set-aside for DWSRF Administrative Expenses (\$658,968), Small Systems Technical Assistance (\$329,484), and Other State Programs (\$1,647,420).

This is the portion of the FY98 federal cap grant payment schedules that was designated for DWSRF loan projects. It does not include monies set-aside for DWSRF Administrative Expenses (\$330,868) and Small Systems Technical Assistance (\$165,434).

This is the portion of the FY99 federal cap grant payment schedules that was designated for DWSRF loan projects. It does not include monies set-aside for DWSRF Administrative Expenses (\$346,780), Small Systems Technical Assistance (\$173,390), and State Program Management (\$268,156).

This is the portion of the FY2000 federal cap grant payment schedules that was designated for DWSRF loan projects. It does not include monies set-aside for DWSRF Administrative Expenses (\$360,404), Small Systems Technical Assistance (\$180,202), and State Program Management (\$300,000).

This is the portion of the FY2001 federal cap grant payment schedules that was designated for DWSRF loan projects. It does not include monies set-aside for DWSRF Administrative Expenses (\$361,896), Small Systems Technical Assistance (\$180,948), and State Program Management (\$350,000).

Exhibit 7

DWSIRLF Project Financial Report
(As of 9/30/2001)

Loan Recipient	Loan # DWI-H280	Initial Loan Amount	Amendment No. 1	Amendment No. 2	Final Amendment	Loan Amt. Before Int. Added	Interest Accrued/Added to Principal	Final Principal
1997 Loans at 4.5%								
ACL1W	010-01	\$297,465			-\$13,317	\$284,148	\$2,602	\$286,750
BEAR1WSD	004-01	\$997,500	-\$13,648		-\$92,085	\$891,767	\$9,794	\$901,561
CGHWA1WS	001-01	\$296,179	-\$4,448		-\$2,919	\$288,812	\$10,369	\$299,181
CLMBS1D	015-01	\$996,626	-\$411,003		-\$48,773	\$536,850	\$3,250	\$540,100
DIBER1D	009-01	\$659,318			-\$78,289	\$581,029	\$2,061	\$583,090
DPWA1TSD	013-01	\$593,428	\$76,966		\$0	\$670,394	\$11,944	\$682,338
FANNI1WD	012-01	\$638,958	\$0		-\$46,166	\$592,792	\$8,679	\$601,471
LEESBG1S	018-01	\$292,950	-\$10,020		-\$23,380	\$259,550	\$2,930	\$262,480
LONGB1D	008-01	\$900,271	-\$2,301		-\$22,856	\$875,114	\$13,424	\$888,538
LONGB2W	008-02	\$310,659	\$43,125		-\$609	\$353,175	\$4,948	\$358,123
MAGNO1D	020-01	\$1,000,000	\$0		-\$313,514	\$686,486	\$15,812	\$702,298
MAGNO2DT	020-02	\$1,000,000	\$0		-\$131,879	\$868,121	\$21,446	\$889,567
MGLED1WR	021-01	\$385,875	-\$138,389		\$0	\$247,486	\$4,728	\$252,214
NDOWA1R	022-01	\$151,725	\$30,213		-\$9,063	\$172,875	\$1,587	\$174,462
PLHIL1SD	007-01	\$887,366			-\$68,488	\$818,878	\$7,733	\$826,611
PROG1WSR	002-01	\$615,300	\$216,816		-\$150,893	\$681,223	\$13,774	\$694,997
THOMV1W	014-01	\$274,050	-\$32,124		-\$8,975	\$232,951	\$1,546	\$234,497
1997 Totals		\$10,297,670	-\$244,813	\$0	-\$1,011,206	\$9,041,651	\$136,627	\$9,178,278
Cum. FY 1997		\$10,297,670	-\$244,813	\$0	-\$1,011,206	\$9,041,651	\$136,627	\$9,178,278

Exhibit 7

**DWSIRLF Project Financial Report
(As of 9/30/2001)**

Loan Recipient	Loan # DWI-H280	Initial Loan Amount	Amendment No. 1	Amendment No. 2	Final Amendment	Loan Amt. Before Int. Added	Interest Accrued/Added to Principal	Final Principal
1998 Loans at 4.0%								
BUNK1TWR	036-01	\$142,289			-\$1,139	\$141,150	\$380	\$141,530
CULKIN1T	016-01	\$375,378	\$523,447		-\$78,307	\$820,518	\$5,360	\$825,878
ELCWSD1D	028-01	\$298,920			-\$2,348	\$296,572	\$4,983	\$301,555
ELWA1D	005-01	\$920,600	-\$6,969		-\$37,061	\$876,570	\$11,411	\$887,981
MARION1T	006-01	\$620,414	\$113,842		-\$38,248	\$696,008	\$13,056	\$709,064
NEMSR1T	029-01	\$1,000,000	\$0		-\$65,256	\$934,744	\$19,212	\$953,956
NEMSR2S	029-02	\$868,814			-\$22,692	\$846,122	\$16,002	\$862,124
PLHIL2D	007-02	\$535,000	-\$45,805		-\$9,814	\$479,381	\$2,855	\$482,236
YOKENA1D	019-01	\$740,775	-\$22,775		-\$63,970	\$654,030	\$6,847	\$660,877
1998 Totals		\$5,502,190	\$561,740	\$0	-\$318,835	\$5,745,095	\$80,106	\$5,825,201
Cum. FY 1997-1998		\$15,799,860	\$316,927	\$0	-\$1,330,041	\$14,786,746	\$216,733	\$15,003,479

Exhibit 7

**DWSIRLF Project Financial Report
(As of 9/30/2001)**

Loan Recipient	Loan # DWI-H280	Initial Loan Amount	Amendment No. 1	Amendment No. 2	Final Amendment	Loan Amt. Before Int. Added	Interest Accrued/Added to Principal	Final Principal
1999 Loans at 3.0%								
BUNK2TWR	036-02	\$50,972			-\$45,323	\$5,649	\$0	\$5,649
CLMBS2D	015-02	\$718,952	\$27,047		-\$21,267	\$724,732	\$8,627	\$733,359
CRIDG1WD	032-01	\$564,000			-\$26,868	\$537,132	\$4,891	\$542,023
DIBER2D	009-02	\$858,731	-\$439,376		-\$209	\$419,146	\$1,774	\$420,920
GREENF1S	040-01	\$322,000	-\$35,042		-\$12,175	\$274,783	\$614	\$275,397
HORNK1S	033-01	\$1,000,000			\$500,000	\$1,500,000	\$9,556	\$1,509,556
HUBWA1W	042-01	\$327,600	\$31,311		-\$35,956	\$322,955	\$1,953	\$324,908
JAYTT1T	045-01	\$324,192			-\$19,821	\$304,371	\$2,371	\$306,742
LANG1S	046-01	\$378,998	\$34,396			\$413,394	\$928	\$414,322
NEMSR3T	029-03	\$1,000,000		\$125,905		\$1,125,905	\$19,807	\$1,145,712
PASC1T	044-01	\$1,000,000			\$500,000	\$1,500,000	\$4,518	\$1,504,518
PASC2T	044-02	\$1,000,000			\$500,000	\$1,500,000	\$4,518	\$1,504,518
PASC3D	044-03	\$371,700	\$60,722		-\$48,438	\$383,984	\$0	\$383,984
PURVIS1D	041-01	\$696,995	-\$20,027		-\$75,565	\$601,403	\$3,325	\$604,728
1999 Totals		\$8,614,140	-\$340,969	\$125,905	\$1,214,378	\$9,613,454	\$62,882	\$9,676,336
Cum. FY 1997-1999		\$24,414,000	-\$24,042	\$125,905	-\$115,663	\$24,400,200	\$279,615	\$24,679,815

Exhibit 7

**DWSIRLF Project Financial Report
(As of 9/30/2001)**

Loan Recipient	Loan # DWI-H280	Initial Loan Amount	Amendment No. 1	Amendment No. 2	Final Amendment	Loan Amt. Before Int. Added	Interest Accrued/Added to Principal	Final Principal
2000 Loans at 3.0%								
LONGB3D	008-03	\$306,257	-\$1,070		-\$33,693	\$271,494	\$3,329	\$274,823
OCEAN1D	035-01	\$982,067	-\$334,258		-\$16,351	\$631,458	\$2,614	\$634,072
AGOM1SDW	034-01	\$991,200				\$991,200		\$991,200
PLHIL3WT	007-03	\$698,250	-\$79,717			\$618,533		\$618,533
HILLWD1W	048-01	\$374,365			-\$5,862	\$368,503	\$3,144	\$371,647
TRLAKE1S	024-01	\$278,522	\$30,318			\$308,840		\$308,840
NHIND1WS	047-01	\$666,070				\$666,070	\$4,376	\$670,446
HWY281D	037-01	\$250,000			-\$6,992	\$243,008	\$1,842	\$244,850
HERNAN1S	057-01	\$891,870	-\$130,260			\$761,610		\$761,610
OLIVE2D	049-02	\$1,441,184	-\$317,300			\$1,123,884		\$1,123,884
OLIVE1D	049-01	\$1,056,950	-\$249,310			\$807,640		\$807,640
GLOST1R	059-01	\$262,500	-\$18,646			\$243,854		\$243,854
CARTH1T	056-01	\$584,837	\$89,126			\$673,963		\$673,963
NEMSR4T	029-04	\$1,500,000				\$1,500,000		\$1,500,000
SWCOV1S	054-01	\$345,051				\$345,051		\$345,051
HWY981WD	050-01	\$913,947				\$913,947		\$913,947
MGLED1WR	021-02	\$85,313	-\$19,725		-\$4,775	\$60,813	\$281	\$61,094
EAGL1WTS	051-01	\$359,101				\$359,101		\$359,101
UNNWA1SD	053-01	\$340,000	\$14,000			\$354,000		\$354,000
2000 Totals		\$12,327,484	-\$1,016,842	\$0	-\$67,673	\$11,242,969	\$15,586	\$11,258,555
Cum. FY 1997-2000		\$36,741,484	-\$1,040,884	\$125,905	-\$183,336	\$35,643,169	\$295,201	\$35,938,370

Exhibit 7

**DWSIRLF Project Financial Report
(As of 9/30/2001)**

Loan Recipient	Loan # DWI-H280	Initial Loan Amount	Amendment No. 1	Amendment No. 2	Final Amendment	Loan Amt. Before Int. Added	Interest Accrued/Added to Principal	Final Principal
2001 Loans at 3.0%								
GREENF2W	040-02	\$466,000				\$466,000		\$466,000
SOSOCWS1D	066-01	\$276,231				\$276,231		\$276,231
WJCUD1D	061-01	\$139,351				\$139,351		\$139,351
PASC4DW	044-04	\$1,500,000				\$1,500,000		\$1,500,000
SOUTHA3S	067-03	\$1,457,794				\$1,457,794		\$1,457,794
PASC5S	044-05	\$739,200				\$739,200		\$739,200
SOUTHA1D	067-01	\$1,500,000				\$1,500,000		\$1,500,000
PASC6T	044-06	\$1,500,000				\$1,500,000		\$1,500,000
SOUTHA2WT	067-02	\$1,486,068				\$1,486,068		\$1,486,068
HILLWD2W	048-02	\$468,535				\$468,535		\$468,535
GLEN1WDS	023-01	\$860,675				\$860,675		\$860,675
FARMLWA1S	058-01	\$877,109				\$877,109		\$877,109
ADAMS1SD	062-01	\$950,691				\$950,691		\$950,691
ADAMS2SD	062-02	\$1,124,211				\$1,124,211		\$1,124,211
GLOST2W	059-02	\$328,125				\$328,125		\$328,125
NCRLT1SD	063-01	\$1,368,881				\$1,368,881		\$1,368,881
PEARL3D	055-03	\$777,000				\$777,000		\$777,000
BEAR2WD	004-02	\$1,468,200				\$1,468,200		\$1,468,200
BUNK3TWR	036-03	\$280,983				\$280,983		\$280,983
LEESBG2SD	018-02	\$756,677				\$756,677		\$756,677
WESTPT1D	071-01	\$1,500,000				\$1,500,000		\$1,500,000
STARK1T	073-01	\$733,310				\$733,310		\$733,310
HERNAN2D	057-02	\$547,074				\$547,074		\$547,074
NEWHOPE1WT	076-01	\$416,602				\$416,602		\$416,602
IMPROV1W	080-01	\$334,323				\$334,323		\$334,323
PEARL1D	055-01	\$508,030				\$508,030		\$508,030
2001 Totals		\$22,365,070	\$0	\$0	\$0	\$22,365,070	\$0	\$22,365,070
Cum. FY 1997-2001		\$59,106,554	-\$1,040,884	\$125,905	-\$183,336	\$58,008,239	\$295,201	\$58,303,440

EXHIBIT 8: COMPARISON OF ACTUAL AND PROJECTED FEDERAL LOC DISBURSEMENTS FOR FY 2001*

	DISBURSEMENTS - FISCAL YEAR 2001				
	QTR 1	QTR 2	QTR 3	QTR 4	TOTAL
PROJECTED DWSIRLF TOTAL	\$2,400,000	\$2,900,000	\$2,780,000	\$2,470,000	\$10,550,000
ACTUAL DWSIRLF TOTAL	\$1,836,521	\$1,815,701	\$1,870,615	\$2,975,752	\$8,498,589

*DISBURSEMENTS ARE A SUMMATION OF FEDERAL ACH DRAWDOWNS FOR LOAN DISBURSEMENTS ONLY.

**STATE OF MISSISSIPPI
DEPARTMENT OF HEALTH
DRINKING WATER IMPROVEMENTS
STATE REVOLVING FUND**

**REPORT OF ANNUAL LOAN REPAYMENTS
SEPTEMBER 30, 2001**

	0-30	30-60	60-120	OVER 120 DAYS
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
LOAN REPAYMENTS OUTSTANDING 9/30/01	\$0.00	\$0.00	\$0.00	\$0.00

EXHIBIT 12: LOAN AMOUNTS BY CREDIT RATING

*The State of Mississippi does not perform a credit rating of Drinking Water SRF loan projects at this time. We do check to see if municipalities generate enough sales tax revenue to cover the amount of estimated monthly and semi-annual repayments which will be withheld by the State Tax Commission. Also, a financial capability analysis is done on every project during the facilities planning phase. Loans are not made to systems who do not meet the State's criteria.

PROJECT NAME			PROJECTS COMPLETED THROUGH FY 2001												
Communities Served	DWI-H280	* Type	Int. Rate on Loan	Award Date	Start 1st Ct	Start Last Ct	Elig End Last Ct	Final Inspect	FDL&Repay to LR	LR Exec Repay	First Repay	PPC	Final Repay	Loan Amount *	
Pleasant Hill Wtr Asso	00701	L	4.5%	06/27/97	09/22/97	09/22/97	05/04/98	05/19/98	06/30/98	07/07/98	08/27/98	05/19/99	05/01/13	\$887,366	
City of D'Iberville	00901	L	4.5%	08/12/97	07/26/97	N/A	01/20/98	01/28/98	03/31/98	04/24/98	06/09/98	01/28/99	06/09/18	\$659,318	
ACL Water Assoc.	01001	L	4.5%	09/19/97	09/12/97	N/A	09/02/98	09/02/98	10/20/98	10/30/98	12/02/98	09/02/99	08/02/18	\$297,465	
Thomasville Wtr Asso	01401	L	4.5%	07/21/97	12/19/97	N/A	08/05/98	08/18/98	10/09/98	10/20/98	03/28/99	08/18/99	09/29/18	\$274,050	
Columbus Utl. Comm.	01501	L	4.5%	09/30/97	02/02/98	N/A	08/20/98	09/10/98	11/15/98	12/15/98	01/09/99	09/10/99	09/10/18	\$996,626	
North Dist. One Wtr.	02201	L	4.5%	09/30/97	01/02/98	03/09/98	05/28/98	06/23/98	09/22/98	09/30/98	10/01/98	06/23/99	06/23/18	\$151,725	
Culkin Wtr. Dist.	01601	L	4.0%	01/30/98	06/24/98	N/A	02/19/99	02/24/99	04/19/99	04/29/99	06/30/99	02/24/00	02/01/19	\$375,378	
Double Ponds W. D.	01301	L	4.5%	09/30/97	01/05/98	N/A	08/31/98	10/16/98	01/27/99	02/10/99	03/10/99	10/16/99	10/10/18	\$593,428	
E. Lowndes Wtr. Assoc.	00501	L	4.0%	05/05/98	07/13/98	N/A	03/14/99	03/31/99	06/07/99	06/11/99	09/17/99	03/31/00	03/07/19	\$920,600	
City of Long Beach	00801	L	4.5%	9/90/97	02/16/98	05/04/98	01/08/99	01/29/99	05/25/99	05/26/99	08/11/99	01/29/00	01/01/19	\$900,271	
City of Long Beach	00802	L	4.5%	09/30/97	02/23/98	N/A	01/13/99	02/11/99	04/12/99	04/27/99	08/11/99	02/11/00	01/01/19	\$310,659	
City of Magnolia	02001	L	4.5%	09/22/97	12/15/97	N/A	03/12/99	04/06/99	07/27/99	08/17/99	10/01/99	04/06/00	04/01/19	\$1,000,000	
City of Magnolia	02002	L	4.5%	09/22/97	12/15/97	N/A	03/12/99	04/06/99	07/27/99	08/17/99	10/01/99	04/06/00	04/01/19	\$1,000,000	
Mt. Gilead/Imp. W. A.	02101	L	4.5%	09/30/97	03/02/98	04/23/98	01/28/99	02/19/99	04/02/99	04/12/99	06/05/99	02/19/00	02/05/19	\$385,875	
NE MS Reg. WSD	02901	L	4.0%	05/18/98	08/03/98	N/A	07/27/99	08/25/99	10/21/99	10/28/99	01/10/00	08/25/00	08/10/19	\$1,000,000	
NE MS Reg. WSD	02902	L	4.0%	08/24/98	10/12/98	N/A	08/23/99	08/25/99	10/21/99	10/28/99	01/10/00	08/25/00	08/10/19	\$868,814	
Pleasant Hill Wtr. Aso.	00702	L	4.0%	08/07/98	11/23/98	11/23/98	03/10/99	03/24/99	06/01/99	06/07/99	07/12/99	03/24/00	03/01/14	\$535,000	
Bear Creek Wtr. Assoc.	00401	L	4.5%	08/26/97	12/26/97	03/27/98	10/05/98	10/21/98	01/27/99	02/09/99	03/08/99	10/21/99	10/10/18	\$997,500	
Fannin Wtr. Assoc.	01201	L	4.5%	09/30/97	03/16/98	05/08/98	10/12/98	10/16/98	01/22/99	01/26/99	03/02/99	10/16/99	10/01/18	\$638,958	
Leesburg Wtr. Assoc.	01801	L	4.5%	09/30/97	02/23/98	N/A	10/22/98	11/05/98	01/25/99	02/08/99	03/10/99	11/05/99	11/10/18	\$292,950	
Progress Com. W. A.	00201	L	4.5%	09/10/97	01/02/98	02/16/98	09/10/98	10/08/98	05/17/99	05/26/99	06/10/99	10/08/99	10/10/18	\$615,300	
E. Leflore Co. W.S.D.	02801	L	4.0%	09/18/98	10/24/98	N/A	07/06/99	08/04/99	10/20/99	11/12/99	12/01/99	08/04/00	08/01/19	\$298,920	
Bunker Hill W. A.	03601	L	4.0%	09/15/98	10/19/98	N/A	05/17/99	05/20/99	07/14/99	07/22/99	08/16/99	05/20/00	05/01/19	\$142,289	
Ced. Grove Harm. W A	00101	L	4.5%	09/30/97	08/18/97	01/06/98	04/01/99	04/16/99	06/21/99	07/06/99	08/31/99	04/16/00	04/01/19	\$296,179	
City of Columbus	01502	L	3.0%	09/10/99	11/15/99	N/A	08/11/00	08/11/00	11/09/00	12/08/00	02/09/01	08/11/01	08/11/20	\$718,952	
Jayess-Topeka-Tilton	04501	L	3.0%	09/30/99	12/13/99	N/A	07/05/00	08/04/00	11/05/00	12/05/00	01/19/01	07/05/01	10/19/20	\$324,192	
City of D'Iberville	00902	L	3.0%	09/30/99	02/14/00	N/A	07/13/00	07/26/00	10/04/00	11/03/00	01/09/01	07/13/01	07/13/20	\$858,731	
Greenfield Wtr. Assoc.	04001	L	3.0%	03/01/99	05/21/99	N/A	03/02/00	03/15/00	04/19/00	05/10/00	09/05/00	03/15/01	03/10/20	\$322,000	
Langford Wtr. Assoc.	04601	L	3.0%	04/19/99	07/31/99	N/A	05/26/00	06/08/00	07/06/00	07/30/00	09/22/00	06/08/01	06/06/20	\$378,998	
Town of Marion	00601	L	4.0%	09/30/98	07/30/99	N/A	07/06/00	07/07/00	09/13/00	09/18/00	12/01/00	07/07/01	07/01/20	\$620,414	
City of Pascagoula	04401	L	3.0%	09/02/99	08/02/99	N/A	04/27/00	05/10/00	07/14/00	07/26/00	10/09/00	05/10/01	05/01/20	\$1,000,000	
City of Pascagoula	04402	L	3.0%	09/02/99	08/02/99	N/A	04/27/00	05/10/00	07/14/00	07/26/00	10/09/00	05/10/01	05/01/20	\$1,000,000	
City of Pascagoula	04403	L	3.0%	09/30/99	01/04/00	N/A	04/27/00	05/10/00	07/14/00	07/26/00	10/09/00	05/10/01	05/01/20	\$371,700	
City of Purvis	04101	L	3.0%	08/26/99	12/15/99	N/A	06/15/00	06/29/00	09/08/00	09/14/00	12/01/00	06/29/01	06/01/20	\$696,995	
Yokena-Jeff Davis	01901	L	4.0%	09/30/98	05/28/99	N/A	01/08/00	01/21/00	04/14/00	05/05/00	06/01/00	12/28/00	01/10/20	\$740,775	
Bunker Hill W. A.**	03602	L	3.0%	09/30/99	12/31/99	N/A	N/A	N/A	07/31/00	08/11/00	09/25/00	N/A	06/01/20	\$50,972	
Algoma Water Assoc.	03401	L	3.0%	05/31/00	09/05/00	09/05/00	08/08/01	08/21/01	11/20/01	12/20/01	01/03/02	08/21/02	08/01/21	\$991,200	
Eagle Lake Wtr. Dist.	05101	L	3.0%	09/29/00	11/15/00	N/A	07/13/01	08/13/01	10/24/01	11/06/01	12/10/01	04/13/02	08/10/21	\$359,101	
Mt. Gilead/Imp. W. A.	02102	L	3.0%	09/29/00	03/23/01	N/A	06/06/01	06/28/01	08/17/01	08/28/01	10/16/01	06/28/02	09/03/21	\$85,313	
NE MS Reg. WSD	02903	L	3.0%	09/30/99	05/01/00	N/A	05/25/01	06/19/01	08/20/01	08/23/01	11/15/01	06/19/02	06/15/21	\$1,000,000	
Tri-Lake Rural W.A	02401	L	3.0%	07/10/00	11/15/00	N/A	07/13/01	08/09/01	11/08/01	11/12/01	02/08/02	08/09/02	08/08/21	\$278,522	
Hilldale WSD	04801	L	3.0%	07/10/00	08/01/00	08/01/00	02/23/01	03/20/01	05/24/01	06/14/01	08/06/01	12/28/01	03/05/21	\$374,365	
City of Horn Lake	03301	L	3.0%	07/01/99	10/22/99	N/A	11/14/00	11/21/00	02/07/01	03/06/01	04/18/01	11/20/01	11/01/20	\$1,000,000	
Hub Water Assoc.	04201	L	3.0%	09/30/99	02/01/00	N/A	10/07/00	10/24/00	01/03/01	01/19/01	03/10/01	11/06/01	10/10/20	\$327,600	
Hwy. 28 Water Assoc.	03701	L	3.0%	09/07/01	09/09/00	N/A	06/29/01	07/20/01	09/07/01	09/26/01	11/10/01	07/20/02	07/10/21	\$250,000	
City of Long Beach	00803	L	3.0%	12/22/99	03/20/00	N/A	02/12/01	03/13/01	05/23/01	05/28/01	08/08/01	03/13/02	03/01/21	\$306,257	
North Hinds W.A.	04701	L	3.0%	07/14/00	07/01/00	07/01/00	06/22/01	07/13/01	08/20/01	08/27/01	11/08/01	07/13/02	07/13/21	\$666,070	
City of Ocean Springs	03501	L	3.0%	05/01/00	07/17/00	N/A	02/12/01	02/28/01	04/19/01	05/19/01	06/11/01	02/28/02	03/01/21	\$982,067	
Center Ridge W. A.	03201	L	3.0%	08/20/99	09/26/99	10/07/99	10/05/00	10/27/00	01/11/01	01/23/01	03/06/01	10/27/01	10/11/20	\$564,000	
TOTAL														\$28,706,895	

*This is the initial loan amount

**No construction was ever performed on this project.

EXHIBIT 14: STATE OF MISSISSIPPI DRINKING WATER SRF CASH FLOWS (DOES NOT INCLUDE FEDERAL CAP GRANT FUNDS)

YEAR	SRF PROJECT ACCOUNT BEGINNING BALANCE	TOTAL STATE MATCH	INTEREST INCOME	PENALTY INCOME	AGGREGATE LOAN REPAYMENTS	INCREASE IN SRF BALANCE	LOAN DISBURSEMENTS FROM STATE MATCH	NET SRF FUND CHANGE	SRF PROJECT ACCOUNT ENDING BALANCE
1997	\$0.00	\$10,000,000.00	\$0.00	\$0.00	\$0.00	\$10,000,000.00	\$441,669.13	\$9,558,330.87	\$9,558,330.87
1998	\$9,558,330.87	\$0.00	\$541,667.99	\$0.00	\$27,707.52	\$569,375.51	\$1,395,095.44	-\$825,719.93	\$8,732,610.94
1999	\$8,732,610.94	\$0.00	\$593,954.24	\$0.00	\$425,449.76	\$1,019,404.00	\$1,100,712.75	-\$81,308.75	\$8,651,302.19
2000	\$8,651,302.19	\$0.00	\$807,674.90	\$0.00	\$1,037,720.05	\$1,845,394.95	\$1,464,657.66	\$380,737.29	\$9,032,039.48
2001	\$9,032,039.48	\$5,000,000.00	\$782,160.61	\$0.00	\$1,620,835.87	\$7,402,996.48	\$1,850,714.05	\$5,552,282.43	\$14,584,321.91